

**Exhibit F**

**Proskauer Engagement Letter**



Proskauer Rose LLP Eleven Times Square New York, NY 10036-8299

November 25, 2016

Joseph M. Leccese  
Chairman and Member of the Firm

  
www.proskauer.com

By Email  
c/o Professor David A. Skeel  


c/o Professor Arthur J. Gonzalez  


Financial Oversight and Management Board  
for Puerto Rico ("Oversight Board")

Re: Engagement Letter

Dear Oversight Board:

Proskauer Rose LLP ("Proskauer") is honored to have been asked to represent the Financial Oversight and Management Board for Puerto Rico ( the "Oversight Board," Client" or "you" ), to provide such legal services as the Oversight Board requests to enable it to carry out the Puerto Rico Oversight, Management, and Economic Stability Act, 48 U.S.C. Chapter 20 ("PROMESA") in a manner that achieves the statutory purposes set forth in Sections 101(a) and 701 thereof for the benefit of the Commonwealth of Puerto Rico (the "Commonwealth"), and its instrumentalities, people, and creditors (the "Project"). This letter confirms the terms of our engagement regarding such representation, effective as of November 21, 2016.

Fees, Disbursements and Charges

In view of your nonprofit status, the Project being for public service, and the anticipated scope of the Project, we will provide the Oversight Board the three formulas set forth below (the "Formulas") to compute the fees we are owed, each of which Formulas represents a substantial discount from our standard hourly rates. The formulas set forth below shall be valid for the duration of the Project. For the first thirteen months of the Project through December 31, 2017, the Oversight Board may retroactively choose the Formula producing the lowest fees. A mechanism for doing so is set forth below. Thereafter, after being advised of the fees produced by each Formula for the prior year, the Oversight Board shall choose by March 15 of each year the Formula to govern that calendar year.

The rates set forth below shall be fixed through December 31, 2017, which is two months after the end of our fiscal year on October 31, 2017. Although our rate increases occur on November 1 of each year, the rates under this agreement shall increase two months later on January 1 by the



Financial Oversight and Management Board  
For Puerto Rico  
November 25, 2016  
Page 2 of 8

lower of the percentage rate increase we announce, and four percent. We track time to the nearest one-tenth of an hour. Only half of non-working travel time shall be billed.

1. Formula 1: Fees for services shall be computed by multiplying (a) the number of attorney (partners, senior counsel, and associates) hours times a fixed, blended hourly rate of \$730 per hour, and (b) the number of paralegal hours times a fixed, blended hourly rate of \$250 per hour. Fees for disbursements shall be billed at cost.
2. Formula 2: Fees for services shall be computed by multiplying (a) the number of partner hours times the lower of their respective actual hourly rates and a fixed, blended hourly rate of \$1,000 per hour, (b) the number of senior counsel and associate hours times a fixed, blended hourly rate of \$650 per hour, and (c) the number of paralegal hours times a fixed, blended hourly rate of \$250 per hour. Fees for disbursements shall be billed at cost.
3. Formula 3: Fees for all services shall be billed at a fifteen percent discount to our standard hourly rates. Fees for disbursements shall be billed at cost.

Our fees will be billed by email on a monthly basis and initially computed in accordance with Formula 1 above. To the extent practicable, all fees should be paid within thirty days of billing. Our monthly statements will set forth the amount of our fees and disbursements, and their underlying time records and charges.

On or before February 15, 2018, and each year thereafter, we will provide you with the respective amounts the aggregate fees through December 31 of the prior year would have been under each Formula. To the extent, if any, the fees computed under Formula 2 and/or Formula 3 are less than the fees computed under Formula 1 through December 31, 2017, we shall credit you the largest difference by reducing the amounts of our subsequent invoices until the entire difference is credited. On or before March 15, 2018, you will designate which Formula shall apply from January 1, 2018 through December 31, 2018. To the extent you are owed a credit for the months of January and February 2018, we will provide that credit in our next invoice(s) until provided in full. On each March 15 thereafter you shall have the right to change your designation of Formulas 1, 2, and 3 for that calendar year, but your choice shall not apply retroactively to the prior year. We shall provide you credits to the extent, if any, you change formulas and we owe you a credit for January and February of such calendar year.

As of November 1, 2016, Proskauer's rates for (a) partners ranged from \$900 to \$1,475 per hour, (b) senior counsel generally ranged from \$875 to \$1,050 per hour, (c) associates generally ranged from \$495 to \$935 per hour, and (d) paralegals generally ranged from \$225 to \$400 per hour. Certain highly specialized senior counsel, associates, and paralegals have higher rates, but we will not use those individuals on this matter without your prior consent, or we may use them at lower rates within the foregoing ranges.





Financial Oversight and Management Board  
For Puerto Rico  
November 25, 2016  
Page 3 of 8

I have attached a schedule listing the bases on which we will bill you for certain charges and disbursements. From time to time in the course of this engagement, it may become necessary to incur large expenses on your behalf, for example, for consultants, local or associated counsel, experts, filing fees, printing and outside reproduction, deposition or trial transcripts, and graphics and trial exhibits. To assure that these services are obtained expeditiously and to avoid the necessity of advancing large amounts on your account, we will arrange for payment of vendors for such expenses by one of the following methods, after consulting with you: (1) direct billing to you by the vendor for the services rendered by the vendor; (2) payment by us of invoices for services rendered on your behalf, with a request for prompt reimbursement upon presentation to you of a paid invoice; or (3) the establishment of a deposit with us, in advance, to provide funds to pay anticipated expenses of those types.

We may from time to time, either at your request or at our own initiative, provide you with an estimate of fees or costs that we reasonably anticipate will be incurred in connection with the Project. It is understood that such estimates, which are predicated on a variety of assumptions, are subject to unforeseen circumstances and are by their nature inexact. No written or oral estimate, either before, at the time of, or following the execution of this engagement letter, shall be construed to be a fee cap or fixed fee.

#### Conflicts of Interest

In our response to the Oversight Board's RFP for legal representation, we provided you a list of the creditors known to us who are currently litigating against the Commonwealth or one of its instrumentalities, which creditors are also clients of Proskauer. We confirm here that (a) none of such clients have in the last two years been responsible for more than 0.1% of Proskauer's annual revenues, and (b) Proskauer has not represented any creditor against the Commonwealth or any of its instrumentalities.

You acknowledge that Proskauer is a large general service firm representing numerous clients, nationally and internationally, over a wide variety of industries and businesses and in a wide variety of matters. Some of those entities and individuals, especially those in the financial industry, may, from time to time, be creditors of the Commonwealth or its instrumentalities. Additionally, we represented the Government Development Bank of Puerto Rico in connection with the statute it enacted to restructure debts of the Commonwealth's public corporations. Many of the main components of that statute are, in sum and substance, incorporated into PROMESA. Moreover, because the Commonwealth and its instrumentalities have thousands of creditors and because entities and individuals can and do, on a daily basis, buy and sell claims against the Commonwealth and its instrumentalities without the Oversight Board and Proskauer having any knowledge of such transactions, it is impossible for either of us to know all the creditors of any entity at any given time.

In light of the foregoing, the possibility exists that some of our current or prospective clients in matters unrelated to the Commonwealth in which Proskauer represents them, may independently have or acquire claims or other interests adverse to the Commonwealth's or the Oversight





Financial Oversight and Management Board  
For Puerto Rico  
November 25, 2016  
Page 4 of 8

Board's interests, such as when they purchase claims. We agree that we will not represent any of them in matters either related to or adverse to the Commonwealth and the Oversight Board. Conversely, you agree that without impacting this engagement, Proskauer may represent them in matters unrelated to the Commonwealth and its instrumentalities, including in litigation or other adversarial proceedings, that do not require the disclosure and/or use of your confidential information, and accordingly you waive any conflict of interest that may be deemed to arise as the result of any such other representation and agree not to seek to disqualify or otherwise prevent our firm from representing other clients in such matters.

Your acceptance of the foregoing conditions of our agreement to represent you in connection with the Project has been made with full and complete awareness of the fact that we and present and future clients of our firm are and will be relying upon our ability to act for them in accordance with the terms of this letter. You acknowledge that in accepting these conditions and executing this letter, you have not relied on any advice provided by Proskauer and are able to seek independent legal advice.

#### Terminating Representation

You have the right to discharge us as counsel at any time prior to the conclusion of the Project, but such discharge shall not affect our right to be paid all of our previously incurred but unpaid fees, and all of our previously incurred but unpaid charges and disbursements, in accordance with this letter agreement. You also agree that we have the right, if in our sole judgment we believe such action to be consistent with our professional obligations, to resign as your counsel, and that such resignation shall not affect our right to be paid all our previously incurred but unpaid fees, and all our previously incurred but unpaid charges and disbursements, in accordance with this letter agreement. Without limiting in any way our general legal and ethical rights to withdraw from representing you, it is agreed that we may withdraw if any of our invoices for legal fees, disbursements and/or charges incurred in connection with our representation of you remain outstanding for a period of 45 days. Subject to the provisions of this letter agreement, you agree not to raise any objection to any such resignation or to our continued representation of our other clients. If we elect to resign as counsel, you agree to cooperate and facilitate such resignation by retaining substitute counsel or otherwise.

#### Conclusion of Representation and Disposition of Records

Once our work on the Project is completed, our representation of you will be concluded. At that point, or upon your earlier discharge of us or our earlier resignation as counsel, we may inquire whether you would prefer that we send you our client files, destroy the client files, or place them in storage at your expense. Should you fail to state a preference, we will send you the files. In the event that you decline delivery of the files, we would have the option of destroying them or storing them at your expense. Notwithstanding the foregoing, and unless you instruct us otherwise, we will return and/or preserve any original documents we know or believe you will need to retain to enforce your rights or to bring or defend claims.



Financial Oversight and Management Board  
For Puerto Rico  
November 25, 2016  
Page 5 of 8

Periodically, we distribute materials that include listings of representative clients and, following completion of a Project, we may refer in those materials to our representation of you in connection with the Project, and you agree that we may do so. These references will not, of course, disclose any of your confidential information.

While we may contact you from time to time thereafter with information concerning legal developments that may relate to the Project, we cannot and do not undertake any responsibility to monitor or advise you with respect to any such developments, including any changes in law.

#### Arbitration of Disputes

You and we agree that any dispute that may arise regarding the provision of legal services by Proskauer to you, including, without limitation, claims of malpractice or breach of fiduciary duty, or for nonpayment of fees, charges, or disbursements, shall be referred to and finally resolved by binding arbitration in New York, New York, administered by the American Arbitration Association in accordance with its rules and procedures by a neutral arbitrator appointed in accordance therewith. Judgment thereon can be entered in any court of competent jurisdiction. Notwithstanding the foregoing, binding arbitration shall not be required to the extent preempted by sections 316 and 317 of PROMESA for fees paid from property of the debtor in cases under Title III of PROMESA.

In the event that a dispute arises between us relating to our fees, you may also have the right to arbitration of the dispute pursuant to Part 137 of the Rules of the Chief Administrator of the Courts of New York State, a copy of which will be provided to you upon request.

#### Choice of Law

This agreement shall be governed by and interpreted in accordance with the laws of the State of New York, without regard to such state's conflicts of laws principles.





Financial Oversight and Management Board  
For Puerto Rico  
November 25, 2016  
Page 6 of 8

If you have any questions about anything in this letter or need more information about any aspect of our engagement, please call me at any time. If you agree that the foregoing accurately reflects our understanding, please sign and return the enclosed copy of this letter.

We appreciate your entrusting us with this matter and look forward to working with you.

Very truly yours,

  
Joseph M. Leccese  
Chairman of the Firm

Agreed to and Accepted on behalf of the Oversight Board

on this 19th day of December, 2016



Print Name and Title:

JOSE S. CARRION III  
Chair - FOM B - PR



Financial Oversight and Management Board  
For Puerto Rico  
November 25, 2016  
Page 7 of 8

**PROSKAUER ROSE LLP**

**SCHEDULE OF CHARGES AND DISBURSEMENTS**

**Effective January 1, 2016**

Attached is a list of disbursements regularly made by Proskauer lawyers on behalf of clients and charges for services which our firm may provide in the course of a legal matter. Included is an explanation of the basis on which clients are billed for a disbursement or charge.

This schedule is subject to change from time to time.

If you have any questions, please feel free to direct them to Jonathan O'Brien, Proskauer's Chief Financial Officer (REDACTED), or to discuss them with the lawyer at our firm with whom you deal concerning billing issues.

**DISBURSEMENTS**

The actual amount to be paid by Proskauer to a third party vendor for the following services will be billed to the client

Client hand deliveries by outside vendors

Copying and document retrieval fees charged by government agencies or service companies

Expert Witness Fees

Fees of registered agents and corporate service companies

Filing Fees of Courts and Administrative Agencies

Food service during conferences and other meetings on behalf of a client

Messenger Service

Outside Consultants, including accountants, other law firms, investigators and translators

Postage

Printing or Outside Reproduction charges including document binding

Transcripts, Court Reporters

Travel on client business, including transportation, lodging and meals provided by third parties

Velobinding





Financial Oversight and Management Board  
For Puerto Rico  
November 25, 2016  
Page 8 of 8

### CHARGES

The charges described below do not necessarily reflect the precise amount we pay to outside vendors, but are intended to compensate our firm for all aspects of the service provided. Thus, these charges may include as allocation of overhead expenses or other expenses we incur that are directly associated with the provision of the service in question.

Type	How Client Is Billed
Automobile travel on client business	54 cents per mile
Computer aided research (Lexis, Westlaw, Nexis, etc.)	Standard rates set by vendor
eDiscovery Data Services	\$650 per gigabyte (GB)
Fax - incoming only	No charge
Fax - outgoing only	\$1.00 per page
Overnight deliveries (UPS, etc.)	Provider standard rate tariff
Proofreading services	\$55/hour
Reproduction – black & white	\$.15 per page
Reproduction – color	\$.30 per page
Secretarial overtime	\$65/hour
Telephone - local	No charge
Telephone - long distance	Equal to or less than the AT&T Measured Telecommunications Services Tariff
Word Processing services	\$65/hour